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Health Policy Brief



Health insurance and the uninsured in Iowa

Iowa ranked second among all states in a recent national comparison of health system performance by the Commonwealth Fund.¹

3-6% of children did not have health insurance in 2005; 75% of those children were eligible for either Medicaid or hawk-i.

Over 81% of uninsured adults are employed.

Underinsurance has negative health consequences due to delayed care or postponed tests and prescriptions.

Background

Health insurance coverage is one of the most important factors affecting a person's use of health care services. Iowa is in an enviable position as it considers health insurance reform. The state's 3 million residents are among the least likely to be without health insurance—the third lowest uninsured rate nationwide.²

Iowans get their health insurance from³:

- *Employer-based-60%*
- *Medicare-12%*
- *Medicaid/SCHIP-11%*
- *Individual-7%*
- *Uninsured-9%*

Latinos are over three times as likely to be uninsured as whites.

Health insurance coverage of children in Iowa

Sources of health insurance for children³:

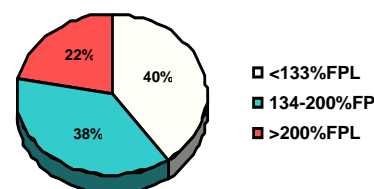
- *Employer-based-64%*
- *Medicaid/SCHIP-23%*
- *Other public-1%*
- *Individual-6%*
- *Uninsured-6%*

In 2005, an estimated 750,000 children lived in Iowa^{4,5}:

- 3-6% were without health insurance at any given time
- 4-6% with health insurance had been uninsured at some point in the previous year
- 72% with insurance were privately insured—a decline from 84% in 2000. Most with private insurance received it through an employer (92%).

Compared to children with public or private insurance, uninsured children are less likely to have a regular care provider, receive preventive care or get sick care. They are more likely to have an unmet need and visit the ER.

- Most uninsured due to related issues of high cost, lost job or lost benefits
- 3/4 of uninsured children were eligible for either Medicaid (<133%FPL) or **hawk-i** (134-200% FPL) the Iowa State Child Health Insurance Program



Health insurance coverage of adults in Iowa

Sources of health insurance for adults³:

- *Employer-based-71%*
- *Medicaid-7%*
- *Other public-2%*
- *Individual-9%*
- *Uninsured-11%*

2/3 of those without insurance were without it for more than one year

Iowa parents are more likely to consider health insurance to be 'very important' for their children than for themselves (97% v. 90%).⁴

Among uninsured adults in Iowa⁶:

- 81% are employed
- 5% are unemployed
- 14% are disabled
- ¾ had never turned down a job with coverage

Underinsurance is an increasingly important issue and leads to:

- delayed care
- postponed tests and/or prescriptions
- changed health plans

Impact of health insurance on employers

Provision of health insurance varies by number of employees^{7,8}:

- 10-19: 74%
- 20-49: 87%
- 50-249: 94%
- 250-999: 96%
- 1000+: 100%

Iowa employers generally see value in providing health insurance:

- attract or retain employees

- keep employees healthy
- be good corporate citizens

92% say they were hurt by rising health insurance costs. For 2007:

- 77% had an increase in health insurance rates
- 48% increased employee contributions
- 26% raised deductibles

Employers recognize benefits of providing health insurance through workforce retention and improved employee health.

Policy options for covering uninsured (state-level)

Select state-level policy options are presented below by the age and situation of the population. Mandating health insurance coverage is an option for all populations with implementation strategies below:

Children: Because so many uninsured children are currently eligible for existing programs:

- decrease barriers to enrollment for the Medicaid and *hawk-i* programs
- expand eligibility for *hawk-i* beyond 200% FPL
- improve options for public coverage of specific services (e.g., behavioral-emotional health and dental care)

Young adults: Adults 18-30 have a high rate of being uninsured because they may not gain insurance through their employer as they leave their parents' policies.

- Mandate children's coverage until an older age (e.g., 26) at no or low cost.

Disabled adults: They have little to no ability to receive employer-based insurance yet often have difficulty qualifying for Medicaid SSI coverage

- increase Medicaid SSI income eligibility threshold

Parents of children in Medicaid:

Children are more likely to use services if parents are insured. Iowa increased parent Medicaid eligibility from 27% FPL to 58% FPL in 2006.

- Increase income eligibility for parents to 100% FPL

Other adults: Adults have fewer public insurance options:

- risk pool options such as the Massachusetts connector model to provide lower cost options to employers and individuals
- reinsurance for high-cost employees to decrease risk for small employers
- make the IowaCare program a more comprehensive health insurance alternative

Retired adults (pre-Medicare): have fewer state options for coverage.

- National options include Medicare expansions to those 55-64.

Reasons for being uninsured vary across the lifespan; similarly, barriers to coverage and policy options differ by age group.

State-level policy options for covering the uninsured include both public and private insurance options.

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